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## FREQUENTLY ASKED QUESTIONS

# Strategic Transportation Investments (STI) Initial Data

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*Below is a list of questions pertaining to the initial data for highway projects released on March 31, 2014.*

**Question:** Why did a specific project score the way it did?

**Answer:** Each project is scored according to set data-driven criteria. For an explanation of scoring criteria, see the next question.

**Question:** What are the scoring criteria?

**Answer:** The Strategic Mobility Formula divides projects into three categories:

- Statewide Mobility
- Regional Impact
- Division Needs

Projects in the **Statewide Mobility** category are scored 100% on data-driven criteria. Regional Impact projects are scored based 70% on data and 30% on local rankings by planning organizations and NCDOT Divisions, while Division Needs projects are based 50% on data and 50% on local rankings.

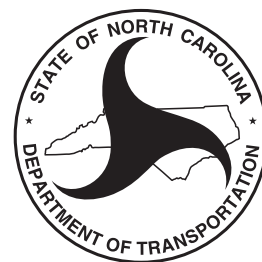
Under the new formula, Statewide Mobility projects are also scored separately in the Regional Impact and Division Needs categories and can cascade down to those categories for funding if they are not funded in the Statewide Category. Regional Impact projects can also cascade down to the Division Needs category.

Highway projects in the Statewide Mobility category are evaluated according to five criteria:

- **Congestion** accounts for 30% of the score and indicates the severity of congested locations and bottlenecks across state.
- **Benefit/Cost** also accounts for 30% of the score and is calculated by dividing the time travel savings a project is expected to provide over 30 years by the cost of the project to NCDOT.

A project's benefit/cost can be improved if funding is provided during the project submission phase through local entity contributions or tolling approved by the local planning organization. In addition, a bonus allocation of up to 50% will be returned to the contributing area for a subsequent project scored through STI.

- **Economic Competitiveness** accounts for 10% of the statewide score and is equal to the number of long-term jobs created plus the value added in dollars based on productivity (gross domestic product) change in that NCDOT Division's economy.
- **Safety** accounts for 10% of the score and includes equally weighted components of crash density (number of crashes over a mile of roadway), crash severity index (severity of the crashes) and critical crash rate (comparison of crash rates to similar type of roadways).
- A **Multimodal, Freight and Military** component accounts for the remaining 20% of the statewide score and is based on existing congestion along key military and truck routes and routes on projects that make connections to transportation terminals.



Highway projects in the **Regional Impact** category are evaluated on four data-driven criteria:

- **Congestion**, which accounts for 25% of the data score;
- **Benefit/Cost**, which also accounts for 25%;
- **Safety**, which accounts for 10%; and
- **Accessibility/Connectivity**, which accounts for the remaining 10% of the score. The Accessibility/Connectivity factor is based 20% on the Department of Commerce's county tier designation and the traffic volume along the roadway; 40% on whether the project upgrades the roadway to provide a higher level of mobility; and 40% on the average commuting time in the census tract(s) in which the project is located.

Highway projects in the **Division Needs** category are evaluated on three data-driven criteria including:

- 20% Congestion
- 20% Benefit/Cost and
- 10% Safety
- To provide additional flexibility, STI allows regions and divisions to develop alternate criteria tailored to their individual needs. The paired regions made up of Divisions 1 and 4 and Divisions 2 and 3 chose to utilize this option.

*MPOs/RPOs and NCDOT Divisions in a given region must be in unanimous agreement regarding the alternate criteria.*

- The alternate **Regional Impact** criteria for **Divisions 1 and 4** are:
  - o 20% Benefit/Cost
  - o 15% Congestion
  - o 15% Safety
  - o 10% Lane Width (the greater the difference between the existing lane width and the DOT design standard, the more points the project receives) and
  - o 10% Shoulder Width (the greater the difference between the existing paved shoulder width and the DOT design standard, the more points the project receives)
- The alternate **Division Needs** criteria for **Divisions 1 and 4** are 10% each of:
  - o Congestion
  - o Benefit/Cost
  - o Safety
  - o Lane Width and
  - o Shoulder Width
- The alternate **Regional Impact** criteria for **Divisions 2 and 3** are:
  - o 20% Benefit/Cost
  - o 25% Safety and
  - o 25% Multimodal, Freight and Military
- The alternate **Division Needs** criteria for **Divisions 2 and 3** are:
  - o 20% Congestion
  - o 20% Safety and
  - o 10% Multimodal, Freight and Military

**Question: What is the funding breakdown among categories?**

**Answer:** The Strategic Mobility Formula allocates 40 percent of funding for the Statewide Mobility category, and 30 percent to both the Regional Impact and Division Needs categories. Regional Impact funding is divided among seven regions of the state (each made up of two NCDOT Divisions) based on population. Division Needs funding is divided equally among the 14 NCDOT Divisions. Under this formula, 60 percent of available funding is directed toward regional and local needs.

**Question: Does a project's score indicate whether it will definitely move forward?**

**Answer:** We won't know which projects will move forward until all projects are scored and ranked. The initial data released on March 31, 2014 is only for the approximately 1,300 highway projects in the current database. It does not include the data for the approximately 500 new highway projects submitted by NCDOT Divisions and MPOs/RPOs, or the data for projects in non-highway modes. The data for these additional projects will not be released until May at the earliest. Afterwards, communities will have a 90-day window to assign local input points to projects. Once they are computed, all projects will be ranked, and we can begin programming the highest-ranking projects based on available funding.

**Question: Are there ways to boost a project's score?**

**Answer:** A project's benefit/cost can be improved if funding is provided during the project submission phase through local entity contributions or tolling approved by the local planning organization. In addition, a bonus allocation of up to 50% will be returned to the contributing area for a subsequent project scored through STI.

**Question: How many projects will actually be completed?**

**Answer:** We won't know how many projects will be completed until all projects are scored, ranked and programmed. However, because the Strategic Mobility Formula allows us to make more efficient use of our existing resources, we anticipate being able to fund more improvements than under the previous funding formula.

It is important to recognize that NCDOT does not have enough revenue available to complete all the projects analyzed through STI or to meet all of the state's transportation needs. Additional revenue must be secured to fully address the growing demands on our infrastructure, and working toward identifying and implementing potential funding solutions remains one of the department's top priorities.

**Question: Why is the project I submitted not on the list?**

**Answer:** The list released on March 31, 2014 only contains initial data for the approximately 1,300 highway projects in NCDOT's current database. It does not include the approximately 500 new highway projects submitted by Metropolitan and Regional Planning Organizations and NCDOT Divisions over the past several months or non-highway projects.

**Question: Are any projects exempt from the new formula?**

**Answer:** The STI legislation stipulates that certain types of projects will not compete under the Strategic Mobility Formula, including interstate maintenance, bridge replacements, highway safety improvements, and Congestion Mitigation and Air Quality projects. These projects will be prioritized separately under different criteria. For a complete list, please view the [law text](#).

**Question: What about non-highway projects? Will they be scored?**

**Answer:** Yes, projects in all modes will be analyzed based on the criteria contained in the Strategic Mobility Formula. However, each mode has its own separate prioritization process. The data for all non-highway projects will be released in May at the earliest, along with the new highway projects submitted by MPOs/RPOs and NCDOT Divisions.

**Question: Does this list favor urban or rural areas?**

**Answer:** The Strategic Mobility Formula has sufficient flexibility so that neither big cities nor small towns will be favored. The Statewide Mobility category will address projects of statewide significance that will benefit all North Carolinians. The Regional Impact category will allow local officials to provide their input on priorities, and since regional needs vary from one area of the state to another, there is flexibility to allow urban areas to address urban needs and rural areas to address rural needs. The Division Needs category will allow local officials to provide 50 percent of the project score, enabling them to greatly influence which projects get funded in their areas.

In addition, the ability for regions and divisions to develop alternate criteria for their areas provides additional flexibility to meet individualized needs.

## ADDITIONAL FAQs REGARDING STI

**Question: Why is this new formula being implemented?**

**Answer:** North Carolina is the fourth fastest-growing state in the nation, which greatly increases the need for transportation infrastructure maintenance and improvements. Along with this, our system is aging and the demands of our state are changing, which also necessitate adjustments to how we invest our limited resources. At the same time, NCDOT's major revenue sources, including the state gas tax and federal fuel tax share, the Highway Use Tax and DMV fees, no longer provide enough funding to pay for all the transportation improvements North Carolina needs to continue to thrive.

STI will allow us to use our existing resources more efficiently and effectively and help us move forward with important projects that will enhance mobility and revitalize communities throughout the state. The new process encourages us to think from a statewide and regional perspective while also providing flexibility to address local needs.

**Question: What will this formula do for me?**

**Answer:** STI's ultimate goal is to connect and invest in people. It allows us to maximize the benefits derived from our transportation investments and use infrastructure to promote improved quality of life. By using our existing resources as wisely as possible, we can make a greater difference for North Carolina.

**Question: How is this formula different from previous funding formulas?**

**Answer:** The previous formula for funding transportation improvements was developed in 1989 and needed to be updated to adapt to the changes that have occurred in the state since that time. The old system could lead to under-investing in some areas and investing in other areas that don't produce results. We lacked alignment with commerce in economic development activity and the policy structures to prioritize our investments.

Under the new formula, the best scoring projects will be funded rather than letting the funding drive the selection of projects as sometimes happened under the previous formula. Specific distributions to each region within the regional category will be based on population while distributions within the division category will be equal share.

**Question: When will STI become effective?**

**Answer:** The new formula is scheduled to be fully implemented after July 1, 2015. Projects funded for construction before then will proceed as scheduled; projects slated for after that time will be ranked and programmed according to the new formula.